



Community Development Block Grant (CDBG)

Redesign Working Group

Summary of Meeting

August 28, 2017
10:00 am – 3:00 pm

Important Note: The next RWG meeting has been rescheduled from September 15th to September 22nd.

Participants: Lorie Adams, Amy Bergstrand, Danielle Brandon (phone), Rob Choate, Esperanza Colio, Terry Cox, C.J. Freeland, Rachelle Kellogg, Thomas Last, Susan Long, David Loya (phone), Jessaca Lugo, Heather MacDonald, Robert Mansfield, Genevieve Morelos, Jennifer Owen, Mary Pitto, Paul Ramey (phone), Nick Romo, Gurbax Sahota, Meagan Tokunaga (phone), Chris Westlake

HCD – Harrison Anixter, Niki Dhillon, Charles Gray, Jim Miwa, Diane Moroni, Ginny Puddefoot, Letitia Ramos, Chris Webb-Curtis

Agenda Items

Introduction and Welcome

The meeting started with an acknowledgment of the generous contribution of time by members of the Redesign Working Group (RWG). Together, the RWG can do the work needed to improve the CDBG program: ensure the program meets the needs of non-entitlement jurisdictions, functions effectively and efficiently within existing HCD resources, and complies with HUD requirements and the recommendations of the HUD TA contractor.

RWG Charter

The draft RWG charter was reviewed and edits were agreed upon. The group then accepted the revised RWG charter. The revised charter will be circulated to be sure the edits were captured accurately and then will be considered final.

Discussion:

- The order of the list of purposes in the purpose statement was discussed. The language in the draft charter was accepted, and it was acknowledged that the Framing Paper unintentionally changed the order but the order does not represent a hierarchy of priorities.

- It was agreed that the project outcome section would acknowledge that the redesigned program will be consistent with legislative mandates, including economic development and other set-asides.
- RWG members agreed that they will be called upon to assist in doing the actual work necessary to complete the redesign.
- HCD agreed to make the agenda and other documents available three days in advance of a RWG meeting in a single e-mail and to make any subsequent changes to the agenda at the RWG meeting.
- Members agreed to notify HCD at least three days in advance of a meeting if they are unable to attend or if they will be attending by phone, to the extent possible.
- HCD agreed to explore additional technology to facilitate RWG members participating by phone and to enhance the experience of those calling in.
- Language was added to the charter explicitly stating the RWG's commitment to creating and adhering to an environment of trust as the work goes forward.
- HCD agreed to share, discuss and critically assess the HUD Technical Assistance (TA) contractor's reports when they are received.
- HCD agreed to discuss with the RWG any deviations from something upon which the group has already agreed.

Roles and Responsibilities of RWG Members

There was discussion regarding the various goals reflected in the membership of the RWG: some members are primarily concerned with providing feedback as the work progresses to ensure the intention of SB 106 is fulfilled, and other members want to actively participate in the development of proposed changes and bring their experience and expertise directly to bear on the redesign.

- For RWG members in the first category, there is a responsibility to read all RWG materials, attend all RWG meetings, and actively engage in the discussions regarding directions and decisions for redesign.
- For RWG members in the second category, there is a responsibility to volunteer and participate in the conversations and meetings that will occur between the RWG meetings, as specific topics or issues are being discussed and proposals developed. There is also a responsibility to perform specific tasks such as conduct research, write up issues and proposals, and in other ways develop the hands-on materials required to complete the tasks of redesign.

Each of the members of the RWG identified their preferred role and agreed to accept the responsibilities for that role. All members expressed their commitment to the work necessary to redesign the CDBG program and HCD confirmed its strong commitment to see this collaborative process through to its successful conclusion.

SB 106 Tasks

Senate Bill (SB) 106 (Committee on Budget and Fiscal Review), the 2017-18 Budget Trailer Bill, included specific directives and tasks related to the CDBG Program. These tasks represent a minimum of the work the CDBG RWG will complete, with the understanding that there will be additional tasks necessary to successfully redesign the CDBG program.

- SB 106 language was reviewed to ensure members understand the requirements.
- Tasks resulting from passage of SB 106 were discussed and charted. Please see separate document for the list of these tasks.

Comparison between Federal Rules and State Regulations

There was a discussion about the requirement in SB 106 to analyze the differences between the federal rules and State regulations for the CDBG program and identify those State rules that exceed the requirements of the federal rules. This comparison is one of the cornerstones that must guide the work of the RWG. HCD had proposed that the HUD TA contractor provide such a comparison as part of their scope of work; however, HUD rejected that idea and HCD must find an alternative approach to fulfilling this task.

One alternative is to contract with an independent consultant agreeable to the RWG who can complete this comparison. There was discussion that some of this work been started by Susan Long and other members of the RWG, and members suggested this comparison could be part of the collective work of the RWG. HCD was tasked with identifying key sections of both the federal rules and State regulations, and creating a template for the comparison. Then members of the RWG with specific interest or expertise in these sections can assist in developing the comparisons for that section.

Subsequent to the RWG meeting, HCD decided to continue pursuing an independent consultant to do a comprehensive comparison of the federal rules and State regulations, which will provide a significant jump-start to the work of the RWG in this regard. HCD will report on progress in identifying a consultant and implementing this task at the next RWG meeting.

Critical Issues

Critical issues associated with the redesign of CDBG were discussed and charted to ensure that at the end of the redesign process, the RWG does not find it has not addressed the issues members of the RWG think are most important to address. It was recognized that it may not be possible to address all issues of concern within the timeframe required for redesign, making the identification of critical issues up-front even more important.

The critical issues identified include the following:

- Program expenditure rate must be improved.
- HCD internal processes need to be streamlined and stabilized.
- A single point of contact and clearly-assigned HCD staff are needed to create a sense of partnership and accountability.
- Website content must be kept current and better communications strategies must be developed.
- More training is needed for HCD staff to ensure consistent policies and requirements are implemented between and across functions.
- Non-entitlement jurisdictions and grantees need more technical assistance.
- Program requirements for Economic Development projects must be reviewed and revised to be more user-friendly and achievable.
- Program Income process, uses, limits, and instructions must be addressed.

- More robust program/project readiness screening should be implemented through rating and ranking criteria.
- HCD should monitor grant awards earlier and grants should be closed out once funds are fully expended.
- Allowable activity delivery costs are inadequate to achieve success.
- Allow 105(a)(15) nonprofits should be allowed to oversee grants and funds.

Please see separate document for a complete list of critical issues identified. It was acknowledged that the critical issues list created is not fixed and that as work continues, other items will be added. This list will form the basis of an ongoing Issues Log to track critical issues as they are identified and provide an update as to their status, resolution etc.

Redesign Work Plan

Members discussed the best way to proceed with the work ahead. It was agreed that the best way to ensure the critical issues and SB 106 mandated tasks are all addressed is to create subgroups to focus on specific topics and bring their work back to discuss with the RWG as a whole.

HCD will develop the RWG Tasks Log, drawn from the SB 106 mandated tasks and the critical issues identified by the RWG, with clearly identified priorities and timelines for completion. RWG members will then commit to working on specific tasks or issues.

The goal of all this work will be to examine and discuss key elements of the existing program and make recommendations on how they can be changed or streamlined to work better for local jurisdictions, be sustainable within existing HCD resources, and comply with federal and State requirements.

Next Steps

Federal and State program requirements: RWG members will share the work they have done to compare federal and State requirements, and HCD will pursue a possible consultant to perform this work so that it can be completed quickly and can provide the basis for the work RWG members will be doing on other priority tasks and critical issues.

Grant Management Manual: It was agreed that all chapters of the Grant Management Manual must be updated as a part of this process. However, this work cannot begin until the critical issues have been addressed and there are clear recommendations and decisions about program design and implementation.

Program Income (PI): As one starting point, HCD will convene a subgroup to look at the PI federal requirements and current State requirements. Part of the work of this subgroup will be to determine how other states are addressing this issue (and implementing their programs overall) and report back to the RWG on their findings and recommendations.

Economic Development (ED): The members of the RWG are particularly concerned that the program requirements for economic development be a clear focus of the RWG. HCD will convene a subgroup to identify the requirements for ED that are problematic and need to be changed.

HCD Workload Analysis: As another starting point, HCD identified the need to clearly map out the current process for program development and implementation and identify the staff who currently “touch” different parts of this process. This work must be done internally and will provide the foundation for identifying places in which streamlining may be possible. The RWG members also want to explore a change in how the program is currently administered (by function) to an approach that utilizes dedicated staff who “own” and are accountable for the program success or failure.

Data Needs: HCD is preparing an analysis of current program and business process data available and data gaps. This analysis will be provided to the RWG for discussion at the next meeting, with a goal of discussing what data is necessary to assist in the redesign process and what data is available from both HCD and other sources.

Process: HCD will create a list or chart containing areas (including critical issues from the meeting) in priority order and will share that with all RWG members for review. Once finalized, RWG members will volunteer to participate on work groups in their areas of expertise and/or choice.